



Chlor-triazine Supply Chain Team Key Messages for Stakeholders

The Triazine Global Supply Chain Team (SCT) met in Greensboro, NC on September 9 and 10. Overall, the meeting was successful with a lot of good interaction and participation of all involved. Following are some key points from the SCT meeting:

- US Regulatory Update: The EPA is delayed in issuing the revised IRED MOA. The IRED bibliography is currently the hold-up as Syngenta is pushing to ensure a complete bibliography of testing and data submissions is included prior to sign-off by EPA and generic producers. The bibliography will be used as the basis for future data compensation claims. There is still hope for an October 1 IRED.
- Once the IRED is issued, there will be some label change requirements affecting **all products containing atrazine**. Supplemental labels and stickers will be required for existing channel inventory as well as Syngenta inventory released for shipment prior to year-end. New technical atrazine registrations will be issued by EPA and the existing technical registrations will be canceled, effective January 1, 2004 or 60 days after EPA approves replacement registrations. **As of January 2004, all new production of atrazine containing products (i.e., AAtrex, LUMAX, BICEP MAGNUM, etc.) will require the new label. This also includes competitive products containing atrazine.**
- The natural gas purification equipment has been installed and should be operational by the end of October. This purification equipment will remove most of the benzene from the natural gas raw material stream and therefore reduce the amount of HCBs generated in triazine final products. This is a proactive HS&E project in-line with anticipated legislative activity.
- St. Gabriel has successfully produced Gesaprim 600SC for the Australian market. All chemical and physical stability data shows that the product is a very robust formulation. The first Gesatop 600SC will be formulated in September. The transfer of these formulations from Pendle Hill was a success thanks to the many people involved. Only through effective communication and solid teamwork was this project a success. Thanks to all involved.
- Natural gas, a key cost component in triazine production, as well as in other key triazine raw materials (amines and ammonia), continues to

be market priced at higher than 2003 standard (2003 weighted average of \$5.63/MM BTU vs. standard of \$3.75/MMBTU). The natural gas standard for 2004 has been set at \$5.05/MMBTU.

- Natural gas is the largest contributor to an unfavorable YTD PPV of \$2.5MM on triazines. Current estimate is that the annual PPV will be unfavorable by about \$3MM down from earlier estimates of \$6MM.
- Due to natural gas cost and its effect on key raw materials and budgeted volume reductions of triazine production (from 130MM lbs to 115 MM lbs in 2004), the standard cost of all triazines will likely increase by 5 to 7%.
- St. Gabriel has budgeted \$3MM in fixed cost reduction for 2004 budget through the Triazine Business Improvement Team (a sub-team of Project Discovery).
- The current Triazine Production Schedule is: September – simazine, October terbutylazine, mid-October/mid-November atrazine, and mid-November/mid-December – simazine. Unlike past years, there will be no atrazine production in December. If there is a need to start back up on atrazine prior to year-end, notification must be made prior to October 1. Otherwise, atrazine will start up the first week of January.
- There will be extensive work in Q4 2003 and Q1 2004 in developing, understanding, and aligning new business and Supply Chain strategies around the triazines. There needs to be a clear commitment from Syngenta on the continued importance of the triazines within the Selective Herbicide portfolio as well as a clear understanding of the expectations of the Supply Chain Team and its commercial partners.
- In 2004, the SCT will be focusing on long-term sourcing strategy and life cycle analysis and management with the involvement of T&P and the commercial part of the business. With this in mind, two new members have been added to the SCT. Art Bayer and Mike Hopkinson will both be active members of the SCT for 2004 and help guide us through these endeavors.
- The Triazine SCT would like to acknowledge the contributions of Jim Jenkins and Andreas Nyffeler to the SCT over the last couple of years. Jim has left the team due to his transfer to another job within Syngenta. Andreas will be retiring at the end of the year. We thank both of them for their commitment to the triazines and active participation on the Triazine SCT. Good luck to both of them in their future plans.
- The Triazine SCT consists of the following members and the areas they represent:
 - Alan Camp – Global Product Supply Chain Management

- Daphne Nelson – Global Supply Chain Planner
- Rush Ducote – Triazine Business Leader – St. Gabriel Manufacturing
- Gayle Taylordean – Global Purchasing
- Bob Wren – Global Finance
- Tom Parshley – NAFTA Regulatory Affairs
- Martha Brady – T&P, Formulation Development
- Andreas Nyffeler – Global Product Manager
- Frank Knight – NAFTA Brand Manager
- Paula Deano – Facilitator and Team Dynamics
- Mike Hopkinson – Formulation Life Cycle Management
- Art Bayer – Active Ingredient Life Cycle Management
- If you have any questions, please contact any of the team members.

Alan Camp
September 11, 2003